

Red River Parish Tax Assessor
A Component Unit of the Red River Parish Police Jury
Red River Parish, Louisiana

Annual Financial Statements

As of and For the Year Ended
December 31, 2011
With Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JUN 27 2012**

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Red River Parish Tax Assessor
Coushatta, Louisiana

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As of and For the Year Ended December 31, 2011
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INDEPENDENT AUDITOR'S REPORT

Ms. Becky Craig
Red River Parish Tax Assessor
Coushatta, Louisiana

Dear Ms. Craig:

We have audited the accompanying financial statements of the governmental activities and each major fund of the Red River Parish Tax Assessor, a component unit of the Red River Parish Police Jury, as of and for the year ended December 31, 2011 which collectively comprise the Red River Parish Tax Assessor basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Red River Parish Tax Assessor. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Red River Parish Tax Assessor as of December 31, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 22, 2012, on our consideration of the Red River Parish Tax Assessor internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the budgetary comparison on pages 5 through 7 and 27 through 28, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Kenneth D. Folden & Co., CPAs

Kenneth D. Folden & Co., CPAs
Jonesboro, Louisiana
June 22, 2012

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART I

Red River Parish Tax Assessor
Coushatta, Louisiana

Management's Discussion and Analysis
For the Year Ended December 31, 2011

As Management of the Red River Parish Tax Assessor, we offer readers of the Red River Parish Tax Assessor financial statements this narrative overview and analysis of the financial activities of the Red River Parish Tax Assessor as of and for the year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with the Assessor's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

FINANCIAL HIGHLIGHTS

- The assets of the Assessor exceeded its liabilities by \$2,358,649 (net assets), at December 31, 2011. This is an increase from prior year of \$810,988.
- Unreserved net assets of \$2,326,216 represent the portion available to maintain the Assessor's obligations to both citizens and creditors.
- At year end, the Assessor had no long-term debt, meaning that all assets owned by the Assessor are free and clear of debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Assessor as a whole and presents a longer-term view of the Assessor's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. The Fund Statements provide a more detailed look at the Assessor's activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Assessor uses fund accounting to ensure and reflect its compliance with finance-related legal requirements. The Assessor has one fund, a governmental fund, which is the general fund.

A summary of the basic government-wide financial statements is as follows:

Summary of Net Assets

	Governmental Activities	
	2011	2010
Assets:		
Current assets	\$ 2,610,979	\$ 1,661,531
Capital assets (net of accumulated depreciation)	32,434	36,704
Total Assets	2,643,413	1,698,235
Liabilities:		
Accounts payable	2,144	2,445
Payroll liabilities	9,428	12,001
Net Other Post Employment Benefits	273,192	136,127
Total Liabilities	284,764	150,573
Net Assets:		
Invested in capital assets, net of related debt	32,434	36,704
Unrestricted	2,326,216	1,510,957
Total Net Assets	\$ 2,358,650	\$ 1,547,661

Summary Statement of Activities

	Governmental Activities	
	2011	2010
General Revenues:		
Ad valorem taxes	\$ 1,379,148	\$ 1,006,446
Charges for services	8,700	23,954
Interest income	11,617	12,483
Total Revenues	1,399,465	1,042,883
Expenses:		
General Government		
Personnel services	522,251	496,696
Operating services	34,793	31,554
Materials and supplies	24,362	10,900
Travel and other charges	7,070	16,098
Total Expenses	588,476	555,248
Change in Net Assets	810,989	487,635

GENERAL FUND BUDGETARY HIGHLIGHTS

The budget was amended once during the year. Actual revenues were \$332,889 more than the budgeted amount for the year. Actual expenses were more than the budgeted amount by \$5,531.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Ad Valorem taxes are the primary source of revenue. Ad Valorem taxes are expected to rise significantly over future years as property values in Red River Parish have increased significantly due to the discovery of natural gas deposits known as the Haynesville Shale. The cost associated with maintaining a contemporary computer system and the rising cost of health and retirement benefits are contributing factors that may affect the Assessor's budget. However, the budget for FY 2012 should not change significantly from the FY 2011 budget.

CONTACTING THE ASSESSOR

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the Assessor's finances and to show the Assessor's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Becky Craig at Post Office Box 509, Coushatta, Louisiana 71019-0509.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Red River Parish Tax Assessor
Coushatta, Louisiana

Statement of Net Assets
As of December 31, 2011

Governmental Activities

ASSETS**Current Assets:**

Cash and cash equivalents	\$ 1,241,161
Receivables	<u>1,369,818</u>
TOTAL CURRENT ASSETS	2,610,979

Non-Current Assets:

Capital assets (net of accumulated depreciation)	<u>32,434</u>
TOTAL ASSETS	<u>\$ 2,643,413</u>

LIABILITIES**Current Liabilities:**

Accounts payable	\$ 2,144
Payroll liabilities	<u>9,428</u>
TOTAL CURRENT LIABILITIES	11,572

Non-Current Liabilities:

Net pension obligation	<u>273,192</u>
TOTAL LIABILITIES	<u>284,764</u>

NET ASSETS

Invested in capital assets, net of related debt	32,434
Unrestricted	<u>2,326,216</u>
TOTAL NET ASSETS	<u>\$ 2,358,649</u>

The accompanying notes are an integral part of these statements.

Red River Parish Tax Assessor
Coushatta, Louisiana

Statement of Activities
For the Year Ended December 31, 2011

EXPENSES	MAJOR FUNDS			Net (Expense) Revenue and Changes in Net Assets
	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	Governmental Activities

Primary government:

Governmental activities:

General Government

Personnel services	\$ 522,251	\$ -	\$ -	\$ -	\$ (522,251)
Operating services	34,793	8,700	-	-	(26,094)
Materials and supplies	24,362	-	-	-	(24,362)
Travel and other charges	7,070	-	-	-	(7,070)
Total governmental activities	<u>\$ 588,476</u>	<u>\$ 8,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (579,776)</u>

General Revenues:

Taxes	
Ad valorem	1,379,148
Intergovernmental - Assessor's Compensation	-
Interest	11,617
Miscellaneous	-
Total general revenues	<u>1,390,765</u>
Change in Net Assets	810,988
Net Assets - December 31, 2010	<u>1,547,661</u>
Net Assets - December 31, 2011	<u>\$ 2,358,649</u>

The accompanying notes are an integral part of these statements.

FUND FINANCIAL STATEMENTS

Red River Parish Tax Assessor
Coushatta, Louisiana

Balance Sheet - Governmental Funds
As of December 31, 2011

	General Fund
ASSETS	
Cash and equivalents	\$ 1,241,161
Receivables, net	<u>1,369,818</u>
TOTAL ASSETS	<u><u>\$ 2,610,979</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 2,144
Payroll liabilities	<u>9,428</u>
TOTAL LIABILITIES	<u>11,572</u>
Fund Balances:	
Unassigned	<u>2,599,408</u>
TOTAL FUND BALANCE	<u>2,599,408</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 2,610,979</u></u>

Statement D

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
As of December 31, 2011

Total Fund Balances of General Fund at December 31, 2011	\$ 2,599,408
Total Net Assets reported for Governmental Activities in the Statement of Net Assets (Statement A) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet	
Capital Assets	124,337
Less Accumulated Depreciation	(91,903)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet	
Net Other Post-Employment Benefits	<u>(273,192)</u>
Net Assets of governmental activities at December 31, 2011	<u><u>\$ 2,358,649</u></u>

The accompanying notes are an integral part of these statements.

Red River Parish Tax Assessor
Coushatta, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund
For the Year Ended December 31, 2011

	General Fund
REVENUES	
Taxes:	
Ad valorem	\$ 1,379,148
Charges for services	8,700
Interest income	<u>11,617</u>
TOTAL REVENUES	<u>1,399,464</u>
EXPENDITURES	
General Government	
Personnel services	385,186
Operating services	30,523
Materials and supplies	24,362
Travel and other charges	<u>7,070</u>
TOTAL EXPENDITURES	<u>447,141</u>
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENDITURES	<u>952,323</u>
FUND BALANCES - December 31, 2010	<u>1,647,084</u>
FUND BALANCES - December 31, 2011	<u>\$ 2,599,408</u>

The accompanying notes are an integral part of these statements.

Red River Parish Tax Assessor
Coushatta, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2011

Total net change in fund balances - governmental funds (Statement E) \$ 952,323

Amount reported for governmental activities in the Statement of Activities (Statement B)
are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities (Statement B), the cost of those assets is allocated over their estimated useful lives as depreciation expense. The cost of capital assets recorded in the current period is

Depreciation expense is reported in the government-wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds. Current year depreciation expense is

(4,270)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These timing differences are summarized below:

Net Other Post Employment Benefits

(137,065)

Change in net assets of governmental activities (Statement B)

\$ 810,988

The accompanying notes are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

Red River Parish Tax Assessor
Coushatta, Louisiana

Notes to the Financial Statements
As of and For the Year Ended December 31, 2011

INTRODUCTION

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, Assessors are elected by the voters of each parish and serve terms of four years. The Assessors assess property, prepare tax rolls, and submit tax rolls to the Louisiana Commission.

The Assessor's office is located in the Red River Parish Courthouse in Coushatta, Louisiana. The Assessor employs 3 deputies. In accordance with Louisiana law, the Assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying general purpose financial statements of the Assessor have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Red River Parish Police Jury is the financial reporting entity for Red River Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Red River Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Since the Assessor is fiscally dependent on the police jury, the Assessor has been determined to be a component unit of the Red River Police Jury. The accompanying financial statements present information only on the funds maintained by the Assessor and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. BASIS OF PRESENTATION

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Assessor's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. FUND ACCOUNTING

The accounts of the Assessor are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

In the fund statements, governmental fund equity is classified as fund balance. Beginning with fiscal year 2011, the Council implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance---amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact.
- b. Restricted fund balance---amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- c. Committed fund balance---amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the

constraint.

- d. Assigned fund balance---amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance---amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

The Assessor maintains only one fund. It is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

The major fund of the Assessor is described below:

Governmental Fund-

General Fund

The General Fund is the general operating fund of the Assessor. It is used to account for all financial resources except those required to be accounted for in another fund.

D. MEASUREMENT FOCUS / BASIS OF ACCOUNTING

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Assessor as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Assessor considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. ASSETS, LIABILITIES AND EQUITY

Cash and Interest-Bearing Deposits

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Assessor.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Assessor maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Furniture, fixtures, equipment	5-10 years
--------------------------------	------------

Compensated Absences

Employees of the Red River Parish Tax Assessor do not accrue or "carry forward" any type of leave from year to year. Therefore, no entry is made to record compensated absences.

Equity Classification

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt---Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets---Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net assets---All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation as non-spendable. Restricted fund balances are legally restricted by outside parties, purposes stipulated by constitution, or through enabling legislation for use for a specific purpose. Committed fund balances include amounts that can only be used for a specific purpose determined by a formal action of the government's highest level of decision-making authority. Assigned fund balances are intended to be used by the Assessor for a specific purpose but do not meet the criteria

for restricted or committed classification. Unassigned fund balances are the residual classification for the Assessor's General Fund and include all spendable amounts not designated as restricted, committed, or assigned.

F. BUDGET

Prior to the beginning of each fiscal year, the Red River Parish Tax Assessor adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

G. CASH AND CASH EQUIVALENTS

For reporting purposes, cash and cash equivalents include cash, demand deposits, time deposits, and certificates of deposit. At December 31, 2011, the Red River Parish Tax Assessor has cash and cash equivalents (collected bank balances) totaling \$1,241,230. Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a holding or custodial bank in the form of safekeeping receipts held by the Assessor. The deposits at December 31, 2011, were fully secured by FDIC insurance.

FDIC Insurance	\$ 331,328
Pledged Securities	<u>909,902</u>
Total	<u>\$ 1,241,230</u>

H. CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2011 is as follows:

	Balance January 1, 2011	Additions	Deletions	Balance December 31, 2011
Governmental Activities:				
Equipment, furniture, and fixtures	\$ 87,276	\$ -	\$ -	\$ 87,276
Improvements	37,061	-	-	37,061
Total Capital Assets Depreciated	124,337	-	-	124,337
Less accumulated depreciation:				
Equipment, furniture, and fixtures	87,276	-	-	87,276
Improvements	357	4,270	-	4,627
Total Capital Assets Depreciated	87,633	4,270	-	91,903
Net capital assets	\$ 36,704	\$ (4,270)	\$ -	\$ 32,434

Depreciation expense of \$4,270 was charged to the general government function.

I. EMPLOYEE RETIREMENT SYSTEM

Substantially all employees of the Red River Parish Tax Assessor's office are members of the Louisiana Assessor's Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessors' Retirement System, P. O. Box 1786, Shreveport, Louisiana, 71166-1786, or by calling (318) 425-4446.

Funding Policy

Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the Red River Parish Tax Assessor is required to contribute at an actuarially determined rate. The current rate is 13.5 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Red River Parish Tax Assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal

fiscal year. The Red River Parish Tax Assessor's contributions to the System for the years ending December 31, 2011, 2010, and 2009, were \$56,809, \$56,814, and \$42,634, respectively, equal to the required contributions for each year.

J. EXPENSES PAID BY RED RIVER PARISH TAX ASSESSOR

Certain expenses of the Assessor's office are paid by the Red River Parish Police Jury. In addition to furnishing the building where the Assessor's office is located, the Police Jury pays all utility bills, most insurance, and furnishes some of the equipment in the Assessor's office.

K. LEASES

The Red River Parish Tax Assessor is a party to an operating lease of a vehicle through Ford Credit. The terms of the lease call for payments of \$667.07 for 35 months with payments beginning November 11, 2009.

L. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

M. AD VALOREM TAXES

The Assessor levies taxes on real and business personal property located within the boundaries of Red River Parish. Property taxes are levied by the Assessor on property values assessed by the Assessor and approved by the State of Louisiana Tax Commission.

The Red River Parish Sheriff's office bills and collects property taxes. The Assessor recognizes property tax revenues when levied.

Property Tax Calendar

Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes are due	December 31
Penalties and interest added	January 31
Lien date	January 31
Tax Sale	May 15

The Assessor is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose after the approval by the voters of the Parish. Property taxes are recorded as receivables and revenues in the year assessed.

Assessed values are established by the Red River Parish Tax Assessor each year on a uniform basis at the following ratios to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

N. OTHER POST-EMPLOYMENT BENEFITS

On January 1, 2011, the Red River Parish Tax Assessor implemented Governmental Accounting Standards Board Statement No. 45 entitled "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" (GASB 45). The major change under GASB 45 is to attribute the cost of postretirement benefits (medical, dental and life insurance) to the time which the employee is working for the employer. This standard does not require the funding of these benefits, but it does require recognizing the liability and expense in the financial statements. The Assessor recognized a noncurrent liability of \$137,065 for 2011 in the Statement of Net Assets. A \$137,065 expense is included in personnel services and related benefits expense in the Statement of Activities.

Plan Description

The Assessor provides certain continuing health insurance benefits for its retired employees and their spouses. Eligibility for medical coverage is based on the following:

- 55 years old and 12 years of service, or
- 30 years of service at any age

Funding Policy

These benefits for the retirees are provided through an insurance company on a pay-as-you-go basis. The Assessor contributes 100% of the cost of current-year premiums for the one retiree. The Assessor recognizes the cost of providing these benefits (Assessor's cost of premiums) as an expenditure when the monthly premiums are paid. For the year ended December 31, 2011, there were not premiums paid for retirees.

Annual OPEB Cost and Net OPEB Obligation

The Assessor's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Assessor has elected to calculate the ARC and related information using the Unit Credit Actuarial Cost Method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (of funding excess) over a period not to exceed thirty years.

The following table shows the components of the Assessor's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Assessor's net OPEB obligation to the Retiree Health Plan for year ended December 31, 2011:

	<u>Medical</u>
Determination of Annual Required Contribution	
Normal Cost at Fiscal Year End	\$ 72,180
Amortization of UAAL	<u>64,885</u>
Annual Required Contribution (ARC)	<u>\$ 137,065</u>
Determination of Net OPEB Obligation	
Annual Required Contribution	\$ 137,065
Interest on Prior Year Net OPEB Obligation	-
Adjustment to ARC	<u>-</u>
Annual OPEB Cost	137,065
Assumed Contributions Made	<u>-</u>
Estimated Increase in Net OPEB Obligation	<u>\$ 137,065</u>
Net OPEB Obligation – Beginning of Year	<u>136,127</u>
Estimated Net OPEB Obligation – End of Year	<u>\$ 273,192</u>

The Assessor's estimated annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net obligation for year ended 2011 and the two preceding fiscal years assuming the plan is not prefunded (5% discount rate):

Fiscal Year Ended	Discount Rate	Annual OPEB Cost	Cost Contributed	Net OPEB Obligation
12/31/2009	N/A	N/A	N/A	N/A
12/31/2010	4.00%	\$142,860	5.00%	\$136,127
12/31/2011	4.00%	\$137,065	0.00%	\$137,065

Funded Status and Funding Progress

The Assessor's actuarial accrued liability for benefits was \$1,166,870, all of which was unfunded for the year ended 2011. The covered payroll (annual payroll of active employees covered by the plan) was \$264,226, and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 441 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of interest, future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce

reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The unit credit actuarial cost method was used with the estimates based to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality among active and retired employees, rates of termination from employment, and retirement rates. In the current valuation, the actuarial assumptions used for the calculation of costs and liabilities are:

MEASUREMENT DATE

Benefit liabilities are valued as of January 1, 2010

DISCOUNT RATE FOR VALUING LIABILITIES

Without prefunding - 4.0% per annum, compounded annually

MORTALITY RATES

Male - RP 2000 system table with floating Scale AA projections for Males

Female - RP 2000 system table with floating Scale AA projections for Females

2. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 22, 2012, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART II

Red River Parish Tax Assessor
Coushatta, Louisiana

Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2011

	Budget - Final	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes:			
Ad valorem	\$ 1,039,075	\$ 1,379,148	\$ 340,073
Charges for services	25,000	8,700	(16,300)
Interest income	2,500	11,617	9,117
TOTAL REVENUES	<u>1,066,575</u>	<u>1,399,464</u>	<u>332,889</u>
EXPENDITURES			
General Government			
Personnel services			
Assessor expense allowance	11,260	11,266	(6)
Salaries	230,000	252,960	(22,960)
Retirement	50,000	56,809	(6,809)
Insurance	65,000	62,117	2,883
Employer contributions - FICA	2,500	2,034	466
Total personnel services	<u>358,760</u>	<u>385,186</u>	<u>(26,426)</u>
Operating services			
Dues and subscriptions	4,200	6,447	(2,247)
Workers' Compensation insurance	1,000	832	168
Telephone	3,500	3,789	(289)
Advertising	-	36	(36)
Professional services	22,000	10,024	11,976
Automobile insurance	3,000	1,390	1,610
Lease	8,400	8,005	395
Official publications	250	-	250
Total operating services	<u>42,350</u>	<u>30,523</u>	<u>11,827</u>
Materials and supplies			
Office supplies	12,000	7,691	4,309
Software license and maintenance	-	12,466	(12,466)
Maintenance of equipment	5,500	308	5,192
Automobile fuel	3,000	3,013	(13)
Automobile repairs	500	808	(308)
Postage	1,000	76	924
Total materials and supplies	<u>22,000</u>	<u>24,362</u>	<u>(2,362)</u>

The accompanying notes are an integral part of these statements.

Red River Parish Tax Assessor
Coushatta, Louisiana

Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2011

	Budget - Original/Final	Actual	Variance Favorable (Unfavorable)
Travel and other charges			
Other travel	3,500	2,710	790
Insurance, surety bond	-	100	(100)
Other	-	4,259	(4,259)
Total travel and other charges	<u>3,500</u>	<u>7,070</u>	<u>(3,570)</u>
Capital Outlay			
Computer equipment and software	15,000	-	15,000
Total Capital Outlay	<u>15,000</u>	<u>-</u>	<u>15,000</u>
TOTAL EXPENDITURES	<u>441,610</u>	<u>447,141</u>	<u>(5,531)</u>
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENDITURES	<u>624,965</u>	<u>952,323</u>	<u>327,358</u>
FUND BALANCES - December 31, 2010	<u>1,647,084</u>	<u>1,647,084</u>	<u>-</u>
FUND BALANCES - December 31, 2011	<u>\$ 2,272,049</u>	<u>\$ 2,599,408</u>	<u>\$ 327,358</u>

The accompanying notes are an integral part of these statements.

Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Ms. Becky Craig
Red River Parish Tax Assessor
Coushatta, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the Red River Parish Tax Assessor, a component unit of the Red River Parish Police Jury, as of and for the year ended December 31, 2011, which collectively comprise the Red River Parish Tax Assessor's basic financial statements and have issued our report thereon dated June 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Red River Parish Tax Assessor's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Red River Parish Tax Assessor's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Red River Parish Tax Assessor's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Red River Parish Tax Assessor's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Red River Parish Tax Assessor, the Louisiana Legislative Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kenneth D. Folden & Co., CPAs

Jonesboro, Louisiana
June 22, 2012

SUPPLEMENTAL INFORMATION

Red River Parish Tax Assessor
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2011

We have audited the basic financial statements of the Red River Parish Tax Assessor as of and for the year ended December 31, 2011, and have issued our report thereon dated June 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States, and the provisions of OMB Circular A-133. Our audit of the financial statements as of December 31, 2011 resulted in an unqualified opinion.

SECTION 1. SUMMARY OF AUDITOR'S REPORT

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses __Yes XNo Other Conditions __Yes XNo

Compliance

Compliance Material to Financial Statements __Yes XNo

B. Findings - Financial Statements Audit

Current Year

No current year findings.

Prior Year

No prior year findings.